



## City of Lowell

### Housing Development Incentive Program (HDIP)

#### Program Description

[The Housing Development Incentive Program \(HDIP\)](#), established as M.G.L., Chapter 40V, provides Lowell with a development tool to increase residential growth, expand diversity of housing stock, support economic development, and promote neighborhood stabilization in designated areas. The program provides two tax incentives to developers to undertake substantial rehabilitation of properties for lease or sale as multi-unit market rate housing within the Lowell Housing Development (HD) Zone (see map on page 2):

- A local-option real estate tax exemption on all or part of the increased property value resulting from improvements (the increment)
- State tax credits, up to \$2M per project, for Qualified Substantial Rehabilitation Expenditures (QSREs) that are awarded through a competitive application process (Notice of Funding Availability- NOFA).
- The City of Lowell will enter into a Tax Increment Exemption Agreement (TIE) with the developer. The following exemption percentages have been pre-approved by the Lowell City Council: ***FY 1: 25%; FY 2: 20%; FY 3-15%; FY 4-7: 10%***

#### Eligible Activities

Substantial rehabilitation of a property or new construction that will result in multi-unit housing development, containing a minimum of 80% market rate units. There are no restrictions on the size of projects. A proposed project may be comprised of one or more buildings on one or more contiguous parcels of land, provided they are permitted and financed as a single undertaking. Eligible construction activities include:

- Major redevelopment, repair and renovation of properties
- Limited new construction such as construction of upper stories, expansion of a building's footprint, and redevelopment of a site after demolition

Eligible development costs include both hard and soft construction costs associated with the development of the market rate units. Acquisition costs are ineligible expenses.

**For more information, contact Maria Dickinson, City of Lowell, Economic Development Specialist at (978) 674-1435 [mdickinson@lowellma.gov](mailto:mdickinson@lowellma.gov)**

**Legend**

- ▬ ▬ ▬ ▬ ▬ HD Zone Expansion 2017
- HD Zone
- Zoning

MAP 1  
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